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SERVICE DATE – FEBRUARY 9, 2017

DO

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36090]

Watco Holdings, Inc.—Continuance in Control Exemption—Jacksonville Port Terminal Railroad, L.L.C.

Watco Holdings, Inc. (Watco), a noncarrier, has filed a verified notice of exemption pursuant to 49 C.F.R. § 1180.2(d)(2) to continue in control of Jacksonville Port Terminal Railroad, L.L.C. (JXPT), upon JXPT's becoming a Class III rail carrier. Watco owns, indirectly, 100% of the issued and outstanding stock of JXPT, a limited liability company.

This transaction is related to a concurrently filed verified notice of exemption in Jacksonville Port Terminal Railroad, L.L.C.—Operating Exemption—The Jacksonville Port Authority, Docket No. FD 36089, in which JXPT seeks Board approval to operate over approximately 10 miles of rail line owned by The Jacksonville Port Authority at the Talleyrand Docks and Terminal in Jacksonville, Duval County, Fla. (the Line). The Line runs from F&J Junction (between Norfolk Southern Railway milepost 5-C and CSX Transportation milepost 632.08) to Municipal Docks Railway milepost 10.33 within the Talleyrand Marine Terminal.

The transaction may be consummated on or after February 23, 2017, the effective date of the exemption.

Watco currently controls, indirectly, 34 Class III rail carriers and one Class II rail carrier, collectively operating in 24 states. For a complete list of these rail carriers and the states in which they operate, see Watco's notice of exemption filed on January 24, 2017. The notice is available on the Board's website at "WWW.STB.GOV."

Watco represents that: (1) the rail line to be operated by JXPT does not connect with any other railroads operated by the carrier in the Watco's corporate family; (2) the continuance in control is not part of a series of anticipated transactions that would connect the rail line to be operated by JXPT with any other railroad in applicant's corporate family; and (3) the transaction does not involve a Class I rail carrier. Therefore, the transaction is exempt from the prior approval requirements of 49 U.S.C. § 11323. See 49 C.F.R. § 1180.2(d)(2).

Under 49 U.S.C. § 10502(g), the Board may not use its exemption authority to relieve a rail carrier of its statutory obligation to protect the interests of its employees. Because the transaction involves control of one Class II and one or more Class III rail carriers, the transaction is subject to the labor protection requirements of Section 11326(b) and Wisconsin Central Ltd.—Acquisition Exemption—Lines of Union Pacific Railroad, 2 S.T.B. 218 (1997).

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. § 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Stay petitions must be filed no later than February 16, 2017 (at least seven days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 36090, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on Karl Morell, Karl Morell & Associates, Suite 225, 655 Fifteenth St., N.W., Washington, DC 20005.

Board decisions and notices are available on our website at “WWW.STB.GOV.”

Decided: February 3, 2017.

By the Board, Scott M. Zimmerman, Acting Director, Office of Proceedings.